JPRS L/10624

30 JUNE 1982

USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

(FOUO 3/82)

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APPROVED FOR RELEASE: 2007/02/09: CIA-RDP82-00850R000500070070-2

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HOUSING AND PERSONAL SERVICES

RURAL PESIDENCE DESIGNS REQUIRE UPDATING, IMPROVEMENT

Moscow VOPROSY EKONOMIKI in Russian No 1, 1982 pp 70-79

[Article by V. Stern: "The Development of Rural Housing Construction"]

[Text] The resolution of the housing problem in accordance with plans will be of great economic, social and political importance. Rural housing construction is closely related to the successful fulfillment of the food program. The existence of well-equipped housing affects migration patterns and aids in the formation of stable labor collectives on sovkhozes and kolkhozes. The settlement of rural families in homes with out-buildings for the maintenance of livestock and poultry and with private plots stimulates private farming activity, and this adds considerably to the national agricultural product. A total of 25 billion rubles was allocated by the state and kolkhozes for housing, cultural and consumer construction in rural areas in the 10th Five-Year Plan, and a 39-percent increase in these expenditures is envisaged in the 11th Five-Year Plan.

There are material prerequsites for the improvement of housing conditions. The "Fundamentals of Housing Legislation of the USSR and Union Republics," drawn up in accordance with the provisions of the Constitution of the USSR, will be taken into account when housing codes are compiled in the union republics. They will aid in securing the right of citizens to housing and in the efficient use and protection of housing. The augmentation of rural housing is distinguished by certain features stemming from the lifestyle of rural families, the regional and ethnic practices and traditions of the population and the possibilities for the extensive use of local resources in construction.

The comprehensive approach to housing construction requires the consideration of the social aspects of construction as well as technical and economic factors. An integral program of rural housing construction, taking all possible economic situations and social consequences into account, is essential. What is needed is not simply a change of proportions in the accumulated portion of national income (in favor of non-production accumulation), but the improvement of the economic mechanism and methods of management, the discovery and utilization of internal reserves and the closer coordination of plans with economic incentives, with a view to the regional conditions of housing construction.

Around 30 percent of the housing construction projects completed in the 10th Five-Year Plan (106 million square meters) were in rural locations (the rural population accounts for 37 percent of the total). Differences in urban and rural volumes of

housing construction stem from a number of factors, particularly the growing economic potential of the country's eastern regions, the development of large territorial production complexes in these regions, the related redistribution of labor resources and changes in migration patterns and the birth of new cities and settlements, accompanied by an overall reduction in the rural population. Another factor is the underfulfillment of rural housing construction plans in the last decade, which was due to the reduced volume of individual residential construction, financed by the population and with the aid of state credit (from 58 percent of the total in 1971 to 40 percent in 1979).

This tendency cannot be regarded as normal because it occurred at a time of uninterrupted growth in state and kolkhoz housing construction (the average annual volumes of housing construction financed by kolkhozes and the state was 2 million square meters greater in the 10th Five-Year Plan than in the Ninth). The growth of state and kolkhoz construction has not compensated for the drop in individual construction. In 1971 new housing (financed by all sources) totaled 34.7 million square meters, but in 1977 the figure had dropped to 30.7 million, and in 1979 it was 28.8 million.

Individual construction took the biggest drop in remote regions with a negative balance of rural migration (for example, the number of rural inhabitants in several oblasts of the RSFSR nonchernozem zone decreased by around 28-30 percent in the 9 years between the latest all-union censuses). In the RSFSR as a whole, the proportion of individual construction dropped from 52 to 20 percent during this period and the level also dropped in Belorussia, Latvia and Estonia. In Lithuania individual construction accounts for 58 percent of the total.

In regions with a large agrarian population the level of individual construction has risen or stayed the same: It accounts for 85 percent of the total in the Turkmen SSR and 80 percent in Tajikistan. The level has stayed the same in Uzbekistan and has dropped only slightly in the Kirghiz and Kazakh SSR's. The highest proportional levels of individual construction are found in Moldavia (90 percent) and the Transcaucasian republics.

There are several reasons for the regional differences in volumes of individual housing construction: A significant factor in remote regions is the psychological preference of inhabitants for state or kolkhoz housing. In some remote regions a preference for individual construction stems from ethnic traditions.[1] The same factors inhibit the development of individual construction in almost all areas: the inadequate supply of construction materials in the market, the low impact of available credit and the insufficient aid offered to builders by self-funding entities--sovkhozes and kolkhozes. It is no coincidence, for example, that indicators of new individual construction are always much higher in Lithuania, where builders are consistently aided, than in neighboring republics. Experience has shown that the possibilities for independent housing construction in rural areas have not been exhausted.

The need for more rural housing arises in connection with higher housing standards, the need to replace housing which is dilapidated or has been damaged in natural disasters and the migration of the inhabitants of the smallest settlements and villages to sovkhoz and kolkhoz settlements. Around half of the new housing covers the natural decrease in available housing (simple reproduction) and the rest represents the net increment (around 1 square meter per person in 5 years).

Since 1965 more than 500 million square meters of new housing has been constructed in rural areas. In other words, the housing conditions of almost one out of every three rural families have improved. As a result, the housing supply of the rural population is greater than in the cities, on the average (13.3 square meters per person in 1980). Regional averages fluctuate widely. Only one-fifth of the best-equipped state housing has the full range of facilities (water, sewage, heat and gas pipes). Kolkhoz housing has less conveniences and individual homes often have none of the abovementioned supply lines or only the simplest of systems.

The new individual and kolkhoz houses are one- and two-story buildings. In state construction, on the other hand, multistory buildings account for a high percentage of the total. For example, more than 20 percent of the buildings are from three to five stories. The highest percentage of four- and five-story residential buildings is found in industrial areas (up to 50 percent), which is due to the use of the urban residential construction base. The construction of more multi-family dwellings in rural areas is restricting the scales of private subsidiary farming. The operational costs of maintaining the centralized networks and installations needed for these kinds of structures in the small settlement are quite high.

Construction can be made more economical by a higher level of prefabricated building construction (reaching 60-80 percent in the case of completely prefabricated homes). Completely prefabricated buildings (made of panels, large external blocks and interior room and apartment modules) account for around 25 percent[2] of the state housing constructed in rural areas, 50 percent of the residences are made of smaller construction elements (brick and stone) and 25 percent are made of wood and other materials.

The estimated cost of residential buildings has risen in recent years due to higher wages in construction, the higher cost of some materials and the higher level of rural housing comfort envisaged in new designs. For example, during the Ninth Five-Year Plan the rural housing estimated cost index rose 16 points in comparison to the previous five-year plan, but the rise for wooden structures was 22 points.[3] This tendency was apparent to some degree in the 10th Five-Year Plan and it will continue to be apparent in the near future.

The estimated cost of housing construction depends on a number of factors. On the one hand, there are the constantly rising requirements with regard to conveniences, sanitary and hygienic standards and the aesthetic appearance of housing (sanitary engineering facilities, a more decorative exterior, built-in furniture, etc.); besides this, there are the rising overhead costs of some structures, materials and machinery due to the higher cost of energy. On the other hand, the use of scientific and technical achievements in construction (more prefabricated and factory-finished buildings, the mechanization of plant and construction site operations and the use of light-weight efficient structures requiring less metal and other materials) and the improvement of residential designs and of systems of organization and management are augmenting labor productivity and lowering construction costs. As yet, however, the factors increasing the estimated cost of housing are having a greater impact than cost-reducing factors. This is why the growth rate of capital investments in new rural housing will continue to exceed the physical housing increment.

The prevailing method of operation in rural housing construction is work by non-specialized organizations without a developed production base. The contracted work performed by the Ministry of Rural Construction, the Ministry of Land Reclamation and Water Resources and interkolkhoz construction organizations accounts for only one-third of the new housing, which is due to the inadequate capacities of contracting organizations and the manpower shortage.

The integral program must stipulate two main interrelated objectives. Firstly, the growth of estimated housing costs must be minimized by factors contributing to the conservation of societal resources. Secondly, larger operational volumes will necessitate the use of local resources for construction materials and the optimal combination of various forms of construction work.

From the standpoint of labor, material, resource, energy and other requirements, construction is a labor-intensive and material-intensive branch. The function of architectual designs f(A) is often represented in the form of the "mini-max" formula:

$$f(A) = \frac{\text{maximum function and aesthetics}}{\text{minimum materials and labor}}$$

In other words, the problem consists in deriving maximum results (corresponding to social standards, construction specifications and housing quality, hygiene and aesthetic requirements) with minimum resource expenditures. These expenditures are estimated with a view to embodied labor (construction materials, finished items and mechanisms), live labor and "future" labor--the annual cost of maintaining the structure. Consequently, resource expenditures must be reduced during the stages of the construction and expansion of the material and technical base of construction, the manufacture of structures and components and their delivery to the construction site, the erection of buildings and the operation of the completed facilities.

Planning improvements are connected with various facets of rural housing: architectural designs, the choice of materials and structures, the technology of production and the erection process. In other words, the architectural-design-technology system of rural housing (AKTS), the formation of which is affected by a number of specific conditions, requires optimization.

The architectural designs of residences are drawn up with a view to the living conditions of the rural family, its demographic composition, the practice of private farming, ethnic traditions and the environment. All of these factors determine the size and layout of housing, its structure, the number of stories, the location of summer accommodations (decks, porches, etc.) and the number of auxiliary facilities (cellars, basements, storage rooms, etc.). Attempts to take public needs into account more fully have given rise to a large variety of building designs, differing in the conditions of habitation (apartment buildings, dormitories, boarding houses, homes for the elderly, etc.), the layout (duplexes, subdivided homes, the courtyard structure, row houses and detached homes, as well as different combinations of these layouts), the number of stories, the location of private farming areas, the level of conveniences and the types of supply lines.

In accordance with the Constitution of the USSR, state policy in the area of housing construction envisages "the promotion of cooperative and individual housing

construction." In view of the effect of architectural designs on the conditions of private farming by rural families, another constitutional provision must also be taken into account--"the promotion of private farming by citizens."[4] At the July (1978) CPSU Central Committee Plenum, L. I. Brezhnev remarked: "Rural construction should obviously be planned with a view to providing families, whenever possible, with comfortable and well-equipped separate dwellings with private plots.... It will be extremely important to promote the development of individual and cooperative housing construction through the efforts of the rural population."[5]

On the whole, rural residences will continue to have few stories in the future (one or two stories or one story with an attic), will have summer and other auxiliary additions and access to private farming areas, will allow for the horizontal or vertical augmentation of living space as families grow and will be accessible to supply lines (hot and cold running water, sewage systems and heat and gas supplies), from local systems (group or autonomous) as well as centralized ones. The construction of multi-family subdivided buildings in rural areas is only expedient on a limited scale: on the condition that they are intended for small families not engaged in private farming and that there is no other available construction site and the adjacent agricultural lands are of greater value.[6] Designers must consider the capacities of the existing industrial base of residential construction. For example, many four- and five-story subdivided buildings are being erected in rural areas in Moscow, Leningrad and other oblasts. Here it would be better to gradually incorporate capacities for the construction of smaller homes.

The designs of rural homes are distinguished by their architectural layout and number of stories, the smaller loads of support structures, the extensive opportunities for the use of local resources and materials made of them in the construction process, the specific technology of building and folk architectural traditions, which are taken into account in the AKTS.

The choice of materials and structures depends on overhead costs, transport conditions and the methods used to assemble materials on the construction site. The total freight shipped for rural projects in the next 5 years will exceed a billion tons. The reduction of material requirements will lower shipping expenses. It will also be important to conserve metal, cement and wood and, besides this, fuel resources in thermal processing of raw materials and the manufacture of structural components.

The integral program for the development of rural housing construction must stipulate regional scales of local resource utilization and the need for shipments of materials and other items from other areas. These matters are connected with the general system of conservation, the incorporation of scientific and technical achievements in construction and the directions and scales of the development of the rural construction industry on the local level. Obviously, one of the general guidelines to be followed in the design of rural homes should be the combination of industrial structures with local materials. If the appropriate construction base, roads and means of transport exist, large-panel (with panels the size of a house wall) or prefabricated modular (with modules in the form of complete rooms or apartments) construction will be expedient. Light-weight materials and effective insulation of the "sandwich" type are used in these structures. In the absence of these conditions, it will be necessary to make extensive use of traditional materials, but with the addition of modern production technology.

It is probably inexpedient to use a reinforced concrete framework, made of Portland cement, in the construction of small homes. These structures require considerable expenditures of materials, technical and labor resources, heat and electricity. They can be replaced with pozzolana sheetrock and gypsum-lime block structures. With these materials and new equipment, parts can be shaped without any subsequent hydrothermal treatment. Besides this, cement expenditures in the first case are only one-half or even one-third as high as expenditures on conventional concrete, and cement is not used at all in the second case. The use of light-aggregate porous concretes, especially those made with the use of limestone, also seems quite promising. They weigh only about half as much as the widely used kermazit concrete, the estimated cost of structures is approximately 30-35 percent lower per square meter of wall surface and the capital investments in conventional raw materials are 1.4 times as great. It is convenient to use brick in walls in almost all areas. The replacement of manual bricklaying with the use of vibrobrick blocks and panels reduces labor expenditures. It requires 7.5 times as much labor to use separate bricks in the construction of a building than to use industrially produced brick structures, and the estimated cost of the second type of building is 20 percent lower. The use of concrete slab, shaped in industrial casings with the use of the simplest machines and mechanisms, has proved effective in rural areas. This minimizes the cost of establishing a material and technical base and lowers road quality requirements because only dry mixtures and a casing (which is reusable) are taken to the construction site. In regions with a developed extractive industry and primary processing branches, there is an economic advantage in using their waste products and secondary resources in construction.

Prefabricated wooden housing has a great future. There are enough trees in the country to produce 80 billion cubic meters of wood and the annual increment exceeds 1 percent of the existing reserve. This is twice as high as projected average annual consumption.[7] A special decree of the CPSU Central Committee and USSR Council of Ministers "On the Further Development of the In-Plant Production of Wooden Panels and Sets of Wooden Components for Houses from Local Materials for Rural Housing Construction" (October 1979) envisages the use of progressive technology and higher technical standards in the production of wooden panel homes. This kind of construction is expected to account for one-fourth of new rural housing. The same quantity of homes built of local materials will be equipped with sets of plant-produced wooden trim elements. The production of homes is based on the principles of assembly line technology with the maximum standardization of parts and components. The labor requirements (in the plant and in the assembly process) of a wooden home are only one-third or one-fourth as high as those of a prefabricated home with a ferroconcrete frame. The light weight of wooden structures makes their long-distance shipment expedient.[8] Along with the development of the wood chemistry complex in regions with a surplus of lumber, it would also be expedient to build log and shingle houses, particularly in individual construction with wood paid for at the so-called per-stump price.

Adobe is still being used in southern regions with a relatively dry climate, despite the high labor requirements of its preparation. The industrial production and transport of adobe (such as, for example, rush pressboard) are not practiced. Nevertheless, expenditures could be reduced on the construction site through the mechanization of several operations (the cutting of vegetable components, the formation of blocks and the air-drying process). The advantage of adobe buildings

is that they do not conduct much heat (they are warm in cold weather and cool in the heat) and no energy resources in the preparation of the structures. The hygienic and aesthetic properties of adobe homes could be heightened through the use of modern trim, brick facing, etc.

The mass production of prefabricated building elements in plants must be combined with the use of the simplest construction machinery and mechanisms, including those in the possession of the builder--the sovkhoz or kolkhoz. This will reduce the capital requirements of construction.

Housing construction can be accelerated and production costs can be lowered by the better organization and management of the construction contracting system, the more extensive use of the self-funding mechanism and the combination of these two methods of construction. It must be said that, on the one hand, the biggest problem is the shortage of personnel for the contracting method, but on the other hand it is precisely the client--the agricultural enterprise--that often has a sizeable supply (or reserve) of manpower that could be used in self-funded housing construction without detracting from basic production.

The seasonal nature of farming is dictated by agricultural production's dependence on natural factors. The seasonal fluctuations in labor expenditures (in percentages of the average annual level) range from 71 to 123 percent on vegetable farms and 45 to 192 percent on cotton farms, while the range in poultry factories is only from 91 to 109 percent. In general, the use of labor resources in kolkhoz farming between November and April is only equivalent to 30 percent of the annual total. In 1977, 23.3 million people were engaged in agriculture but the average annual number of workers was estimated at 11 million. During this period, sovkhozes and kolkhozes do not use all of their machinery. Working time is primarily underutilized during the coldest time of year. However, many of the operations involved in the construction of small residences could be performed in early spring and late fall. The efficient use of labor resources in the branch for self-funded construction projects would largely guarantee the completion of the planned quantity of new housing each year. This would require the provision of sovkhoz and kolkhoz construction subdivisions with more fixed capital (including equipment for small-scale mechanization).

The social program in housing construction is based on the need to satisfy the population's constantly rising requirements. The exercise of the right to housing depends on public purchasing power, forms and terms of credit and the distribution of sources of family income (including income from private farming) among social groups. The program also envisages better conditions for population reproduction, for the encouragement of workers to remain in rural areas, for the employment of more second family members, etc.).

The plans to develop individual and cooperative housing construction in rural areas will require the efficient coordination of state, organizational and individual interests. When a family chooses a particular way of exercising its right to acquire (or build) individual housing, this does not result in the redistribution of income or change the expenditure patterns of population groups. To the degree that this is connected with the economy of specific enterprises and the social development of collectives, the latter participate directly in the compilation of development plans, the management of accumulations and the choice of

methods of housing construction and the different forms and terms of aid offered to builders.

The low effectiveness of credit extended for individual construction is due to the limited supply of some construction materials and implements and, where this is not the case (in the system of contracted construction), to the high estimated cost of homes and, consequently, the large down payments[9] and subsequent loan payments.

The national economic impact of individual construction is determined by the savings in social expenditures of labor, the increase in the number of workers (through the inclusion of additional human resources in this sphere without detriment to other branches), the efficient division of labor (on the one hand, the mass production of industrial structures in plants and, on the other, the use of the semiskilled labor of the builder on the construction site) and the conservation of means of production (lower capital requirements).

For the agricultural enterprise, the development of individual and cooperative housing construction is beneficial because it keeps workers on the farm, reduces the number of workers in the housing and utilities sector, lowers the cost of maintaining above-plan housing--since these expenses are taken on by the homeowner--and eliminates the need for amortization deductions for renovation. The cost of maintaining state and public housing in rural areas is often double or triple the cost in cities.

The credit privileges offered to the individual builder should be differentiated. For example, in accordance with the decree of the CPSU Central Committee and USSR Council of Ministers "On the Further Development of Individual Housing Construction and the Retention of Personnel in Rural Areas" (June 1978), the most preferential terms are offered everywhere to demobilized veterans, newlyweds and young specialists, and on farms suffering an acute manpower shortage, they are also offered to workers in the mass professions who have taken jobs on these farms. The functions of the client should be assumed by kolkhozes, sovkhozes and other agricultural enterprises.

In our opinion, certain economic situations and social objectives can require the expansion of preferential credit terms for builders. For example, in the Lithuanian SSR, the state and the farm cover the cost of half of the preferential credit extended to persons who move to settlements from villages located on reclaimed lands. Besides this, when the nomadic population of the Far North made the transition to the settled way of life, the state paid up to 75 percent of the estimated cost of centrally supplied individual homes (including the freight charges). In these cases, the monthly payments on loans are not much higher than apartment rent in state housing (in the RSFSR, for example, they are equivalent to 13.2 kopecks per square meter of living area). These credit terms psychologically motivate families to choose individual homes even when they have an opportunity to rent apartments in state (or public) residential buildings.[10] This is attested to by sociological research data. For example, when credit is extended in the amount of 7,000-8,500 rubles to cover the estimated cost of all building materials (corresponding to the sale price of the Alituss Residential Construction Combine), monthly payments on a 20-year loan total 16 rubles (half is financed through a special enterprise fund).

It would be economically and socially expedient to give priority to the maximum development of individual and cooperative housing in the rural construction program. Individual housing construction conserves funds for non-production accumulation and consumption in the sphere of state housing construction and the maintenance of housing. The individual home is a particular form of private property with limited rights of ownership (the maximum dimensions of homes are limited by law, the private homeowner is not eligible for state housing and cannot own shares in a housing construction cooperative, certain ownership transfer transactions are restricted by law, etc.). The immobility of the property signifies that the tenant will remain in a particular location or that a new family will be attracted to the area (in cases involving dissolution or inheritance).

The output of materials, structures and semimanufactured components depends on regional conditions and the supply of various resources (non-metallic minerals, materials shipped in from outside, transport conditions, etc.). The construction industry is developing in three main areas: Joint projects by rural construction and residential construction combines performing all production and installation work; enterprises specializing in the manufacture of specific construction materials and implements (regional and interregional); small enterprises producing construction materials on an independent basis, including those operating seasonally. In the case of projects negotiated with contracting organizations, the builder's own capacities will be widely utilized (for example, in the laying of foundations, in concrete-pouring, installation and trimming work, in the improvement of the building site of small homes, etc.). Self-funded construction will not take people away from their families or disrupt their daily life.

The individual construction of small homes requires technical supervision. This could be the responsibility of local subdivisions of the Ministry of Rural Construction and the Interkolkhoz Construction Organization (the specialists of trusts, administrations, mobile mechanized columns and others) and the personnel of sovkhoz and kolkhoz construction brigades. It should be borne in mind that there are now 3 million rural construction workers with an annual operational volume exceeding 10 billion rubles.

Individual housing construction firms, which are already a common type of organization in the Baltic republics, will operate as independent subdivisions. Their functions might consist of erecting the home and turning it over to the new owner or in assembling all of the materials and implements needed for the construction project and turning them over to the client who will be building his own home. In the latter case, the client will be issued "know-how"11--precise instructions on the technology of work--which will heighten the impact and quality of this kind of construction. It will probably be expedient to establish comprehensive design and construction organizations, which will compete for contracts for individual homes.

The comprehensive experimental construction of model sovkhoz and kolkhoz settlements in accordance with the decree of the CPSU Central Committee and USSR Council of Ministers "On the Better Organization of Rural Construction" (September 1968) has not been effective enough in the disclosure of reserves for independent housing construction. The significance of experimental model construction in rural areas was stressed in the April 1981 decree of the CPSU Central Committee and USSR Council of Ministers on the further development of the nonchernozem zone.

The development of individual and cooperative housing construction in rural areas will conserve public resources, stimulate private farming and have an important social impact. The accelerated construction of rural housing will attract workers to sovkhozes and kolkhozes and make labor and material resources available for the development of the service sphere and road construction in rural areas.

The integral program for the development of rural housing construction must envisage forecasts of rural population dynamics, the supply of housing, the demand for resources and the means of its satisfaction, alternative guidelines for the development of the construction industry base and the distribution of future operational volumes among periods and executors. The optimization of the resource balance, with all of its intersectorial and interproduct aspects, will also be taken into account in forecasts of the development of other subdivisions of the construction-industrial complex and in the planning of integrated construction projects within the CEMA framework.

FOOTNOTES

1. This kind of value judgment is implicit in Le Corbusier's remarks: "Home takes precedence over everything else" and "The home is the key to everything" (Le Corbusier, "Twentieth Century Architecture," Izdatel'stvo "Progress," 1977, p 143).

2. By 1985 the proportion accounted for by these homes should reach 55-60 percent.

3. In the United States construction costs rose 69 percent during the same period as a result of galloping inflation and other factors, and housing starts (including rural homes) dropped 20.2 percent.

4. "The Constitution (Basic Law) of the Union of Soviet Socialist Republics," Yurizdat, 1980, p 6.

5. L. I. Brezhnev, "O dal'neyshem razvitii sel'skogo khozyaystva v SSSR" [On the Further Development of Agriculture in the USSR], Politizdat, 1978, p 40.

6. The settlement of the Druzhba Narodov Kolkhoz in Krymskaya Oblast, where subdivided building designs have been widely used, provides an example of this kind of limited construction area (bounded by through highways and valuable perennial crops on adjacent irrigated lands).

7. The supply of wood, in contrast to many other natural resources, is renewable. Nevertheless, the territorial distribution of the supply increment, the transfer of most logging operations to remote parts of Siberia, transport difficulties and the rising cost of maintaining forest resources are unavoidably increasing the production costs of lumber.

8. For example, experience in construction in northern Canada has indicated that wooden homes are more economical and more efficient than homes made of aluminum and plastic panels.

9. A single-family dwelling with all of the conveniences costs 18,000-20,000 rubles or more, which is almost double the cost of cooperative apartments in multifamily dwellings. The overhead costs of prefabricated wooden homes are lower when residential construction combines are operating at planned capacity.

10. If we disregard socioeconomic considerations, we can say that in a number of capitalist countries the cost of satisfying the demand for housing remains approximately the same no matter what form this satisfaction might take--whether it is the payment of rent to the owner of the building or the purchase of a home on credit (in both cases, the payments often represent one-third of the worker's salary).

11. This is an English term signifying the technological expertise offered to firms on a contractual basis.

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CSO: 1827/111

CONSUMPTION TRENDS AND POLICIES

IMPROVEMENT OF QUALITY, ASSORTMENT IN CONSUMER GOODS STRESSED

Moscow VOPROSY EKONOMIKI in Russian No 1, 1982 pp 125-137

[Article by Ya. Orlov: "The Expansion of Consumer Goods Production and the Improvement of Their Quality"]

[Text] In a decree about the need to increase the output of vitally necessary goods and items in mass demand and to improve their quality and assortment in 1981-1985, the CPSU Central Committee and USSR Council of Ministers stressed that the expanded production of consumer goods of better quality is of primary significance at the present time in the implementation of 26th party congress decisions regarding the enhancement of the Soviet people's well-being and the more complete and thorough satisfaction of the population's constantly increasing needs. This instruction pertains to all branches of industry and all enterprises and organizations and is a matter of particular interest to party, soviet and economic organs.

In the last 15 years the output of consumer goods increased 2.5-fold, the assortment was renewed and quality improved. In the last 5 years there was a 21-percent increase in the output of these goods, including an increase of 41 percent in goods for cultural and consumer use and housewares. Hundreds of enterprises of light industry, the food industry and the meat and dairy industry have been opened.

Along with the considerable achievements in the development of consumer goods production and the constantly increasing consumption of food products, clothing, footwear, goods for cultural and consumer use and housewares, there are difficulties in supplying the population with some food products and there have been frequent interruptions in sales of some goods in mass demand. Some products of light industry are still in short supply. The quality of many items often does not meet customer requirements.

There have been some disparities in the balance of consumer demand and the supply of consumer goods in general and of certain commodity groups in particular. Public deposits in savings institutions have grown considerably, and part of this sum is the result of unsatisfied demand. The public demand for goods and services exceeds their supply.

Problems in the normal use of public monetary income, received in the form of direct compensation for labor in national production and from public consumption funds, reduce the effectiveness of material incentives and thereby impede the growth of national production and the enhancement of its efficiency. The goal of

national production is the reason for the present importance of the satisfaction of consumer demand and the achievement of more balance in the "income-demand-supply" chain. The resolution of this problem, speakers noted at the 26th CPSU Congress, will be the primary purpose of the measures envisaged in the plans for the economic and social development of our country.

The "Basic Directions for the Economic and Social Development of the USSR During 1981-1985 and During the Period up to 1990" stipulate the need to "attach greater importance to the fuller satisfaction of public demand for various goods and services." For this purpose, an entire series of measures is specified in the 11th Five-Year Plan for the improvement of the most important national economic relationships and proportions. In particular, all branches of the economy are to make a greater contribution to the resolution of problems connected with the production of more goods for the population. This is reflected in its most general form in the modification of one of the most important national economic proportions, the distribution correlation of national income: The plan envisages the quicker growth of the consumption fund--that is, resources allocated directly for the satisfaction of the Soviet people's needs. As a result, the proportion accounted for by consumption funds in national income will rise from 75.3 percent in 1980 to 78 percent in 1985 (as a basis for comparison, it previously took two decades for the percentage accounted for by consumption funds in national income to rise just 2 points). According to calculations for 1985, the sum of 16.5 billion rubles will be allocated for centrally financed measures to raise the standard of living.

The production growth rate of group "B" will exceed the rate of group "A" during the current 5 years. With production growth in industry as a whole planned at 26-28 percent, the growth of production in group "A" will be the same, but the rate of increase in group "B" will be slightly higher--between 27 and 29 percent. During the current five-year plan the indicators of consumer goods production development will be higher than in the last. One of the peculiarities of this five-year plan is the stepped-up growth of consumer goods production in comparison to the rate of increase in public monetary income. Retail commodity turnover in the state and cooperative trade networks should also develop more quickly than the monetary income of urban and rural workers.

One final feature of the 11th Five-Year Plan is the quicker growth of the output of goods for cultural and consumer purposes and housewares in comparison to the total output of consumer goods. The production of these items in branches of heavy industry will be considerably augmented. For example, in the chemical and petrochemical branches the basic production volume should increase by 30-33 percent, but the output of synthetic resins and plastics needed for the manufacture of a variety of consumer goods should increase 1.7-fold. The overall increase in the production volume at enterprises of the construction industry has been set at 17-19 percent, but their output of consumer goods will increase from 1.3-fold to 1.4-fold during the 5 years. The decisions of the congress envisaged the production of more goods for cultural purposes and housewares by workers in metallurgy, instrument building, machine building, electronics and woodworking.

During the 11th Five-Year Plan more attention will be given to the fuller satisfaction of public demand for various goods and services, a rise in the level of food consumption and the improvement of the structure of food consumption.

The present level of food consumption provides the individual with the necessary calories to compensate for the energy expended in labor and daily life. The average number of calories consumed each day is 3,280, which is in excess of the human being's physiological requirements. But the human diet should be constructed with a view to the total calorie count and to the scientifically sound physiological norms of major food group consumption.

The highest level of food consumption has been reached in recent years. Between 1965 and 1980 per capita meat consumption increased by 16 kilograms, milk consumption increased by 63 kilograms and egg consumption increased by 114 eggs. Much more fish is being consumed. The consumption level of some products (sugar, fish and fish products, vegetable oil) is approaching scientifically substantiated norms. Less bread and potatoes are being consumed. Nevertheless, our diet still suffers from a surplus of carbohydrates, a significant shortage of vitamins, a poorly balanced mineral composition and a shortage of animal protein. This is why one of our main objectives is the improvement of the food product structure.

The principal reasons for problems in the food market, particularly animal husbandry products, are the inadequate rates of agricultural development and the effects of socioeconomic factors and changes in the structure of society, particularly the rapid growth of the urban population.[1]

The demand for food products, including animal husbandry products, rose in connection with the growth of the monetary income of all population strata at a time when retail prices remained stable. Wages rose and pensions, grants and stipends were increased. The real income level of kolkhoz members was equivalent to 75 percent of the real income of workers and employees per family member in 1965, but the figure had risen to 89 percent by 1980.[2] The income of the poorest families increased at a higher rate than the income of the total population. Whereas only 4 percent of the population had an income exceeding 100 rubles a month per family member in 1965, the figure was 18 percent in 1970 and it was already equivalent to around half of the nation's population by the end of the 10th Five-Year Plan.[3] Under these conditions, the production growth rates of some foods and several other consumer goods turned out to be too low.

The 26th CPSU Congress stressed the importance of a better public food supply. "The food problem is the central problem of the entire five-year plan on the economic and the political level. The basis of its resolution is the rapid development of agricultural production," L. I. Brezhnev remarked in his speech at the November (1981) CPSU Central Committee Plenum. A food program is being drawn up for the resolution of this problem, and the fulfillment of this program is supposed to considerably increase the output of agricultural products and establish closer contact between agriculture and the branches engaged in the storage and processing of its products and in the sale of food.

The food program must be carried out under the conditions of the dynamic and balanced development of branches of agriculture, the processing industry, transportation, trade and procurement, as well as the branches manufacturing the means of production for the entire agroindustrial complex. The output of grain and fodder is to be maximized primarily through improvements in the structure of sown areas, the effective use of mineral and organic fertilizers, the improvement of meadows

and pastures and the augmentation of livestock and poultry productivity. It will be extremely important to minimize losses of agricultural products and ensure the rapid completion of grain elevators, warehouses and other facilities for the storage and preservation of products at their full volume.

The increased output of agricultural products will assist in the further improvement of the structure of the public diet. Per capita meat consumption should reach 62 kilograms by the end of the five-year plan (24 kilograms in 1940, 41 in 1965 and 57 in 1980). Per capita food consumption will also include 320 kilograms of milk and 250 eggs. The proportion accounted for by fruit and vegetables in the Soviet diet is rising.

Although the average growth rate of the output in branches of the food industry will range from 23 to 26 percent, the production of prepared foods, semiprepared meals, delicatessen items and fresh-frozen fruit and vegetables will be distinguished by a higher rate of development. The output of baby foods and dietetic items will also be increased more dramatically. To provide toddlers with a balanced diet in convenient form, the output of dry milk mixtures and canned meat-based meals will be considerably increased, and the assortment of dairy products for infants will be augmented.

Some of the problems facing branches of the food industry will be solved by the improvement of the quality and assortment of food products and the production of more foods enriched with protein, vitamins and other wholesome additives. Product losses are to be considerably reduced in the food industry and trade through the increased output of packaged goods, the extensive use of new packaging materials, the more comprehensive processing and better utilization of raw materials, the widespread acceptance of agricultural products on the production site and the reinforcement of the material and technical base of these branches, particularly with the use of artificial cold in the processing and storage of agricultural products.

Fish occupies an important place in the national diet. Fish products account for one-fifth of all the animal protein consumed. The per capita output of fish products (including canned fish) was 20.1 kilograms in 1980, and per capita consumption was 17 kilograms, with a recommended scientific per capita norm of 18.2 kilograms. Besides this, the fish industry is one of the main suppliers of fodder protein for the combination feed industry and fur farming. During the current five-year plan the commercial output of fish products (including canned fish) will increase by 10-12 percent, and consumption will reach the recommended norm. The basic assignments in this branch envisage a larger output of fish products of better quality and in a wider variety. Special attention will be paid to the development of fish farming in internal bodies of water. Ponds, lakes and other commercial farming facilities are already producing large quantities of fish for public consumption. Much of the commercial fish supply comes from kolkhozes and sovkhozes.

Production will be developed further on the subsidiary farms of enterprises, organizations and establishments, the private plots of citizens and in the horticultural, gardening and rabbit-breeding clubs (or societies) of workers and employees. They will be aided in the acquisition of young livestock and poultry, fodder, seeds and fertilizers.

The private farming sector accounts for a large share of the output of various animal husbandry and farming products. For example, it accounts for more than half of the potato output and around 30 percent of the total output of vegetables, meat, milk and eggs. The decree of the CPSU Central Committee and USSR Council of Ministers "On Additional Measures To Increase the Output of Agricultural Products on the Private Plots of Citizens" outlines measures to establish favorable conditions for a larger output in the private farming sector. The experience of a number of oblasts and rayons testifies that the private plots of citizens can be the source of sizeable additions to the supply of meat, milk, potatoes, vegetables and several other products.

The preparations for the food program will include the planning of measures to improve the provision of the population with food products: the development of warehouse capacities, including refrigerated ones, for their storage, the improvement of commodity transport, the preservation of the quality of products and the reduction of losses during shipping and storage.

The public dining sector will play an important role in the resolution of the food problem. It is here that more than one-fifth of the total commercial food supply is consumed. Measures must be taken to increase the output of snacks, pastries and rolls in the public dining sector and at cooperative enterprises, in the quantities and assortment needed for the complete satisfaction of public demand. However, sugar and fat must be used economically and efficiently in the preparation of confections and bakery goods.

It will be important to improve kolkhoz trade, offer the population the necessary assistance in the delivery and sale of products and find resources for the construction of covered markets. Workers of consumer cooperatives must improve the work of cooperative trade organizations in cities and buy more surplus agricultural products from the population.

Light industry is justifiably called the industry for everyone. It supplies the population with thousands of different types of products, satisfying the most diverse needs. Each year around 100,000 new types of merchandise, designs and styles are put in production at enterprises of light industry. For example, in the cotton fabric industry the present assortment of materials is being improved and a new one is being created. These new fabrics are manufactured on shuttle-free looms with the use of cross-spun fibers. Around half of the printed yardage has been redesigned. More new fabrics have been treated with high-quality finishes which improve their appearance and enhance their consumer appeal, resistant finishes, such as prints or glosses with a silvery luster, and chemical finishes to retard shrinkage.

The output of woolen fabrics is being increased by the production of larger quantities of scarce materials: fabric for coats and for children's wear, virgin wool scarves and printed yardage. The group of woolen dress goods will be augmented with new tweeds, open-weaves made with crepe and coarse linen threads. The group of suit goods is being improved with the use of fibers with new external effects and better finishes. New fabrics made with virgin worsted-wool, tweeds and light-weight materials have been developed.

In the silk industry a new fabric assortment has been developed and is now being produced with the use of new types of raw materials, including some made with polyamide "shelon" fiber, textured polyesters and complex fibers combined with reinforced and non-reinforced triacetate threads. Lighter-weight fabrics have been developed from synthetic fibers and thread, simulating cotton and other natural fibers. The knitwear industry is producing millions of printed linen articles. Knitwear is being produced in different patterns.

The output of leather footwear in 1980 was 744 million pairs, as compared to 698 million in 1975. Significant changes have been made in the assortment and quality of footwear in recent years. The production of new and stylish designs has been mastered in the footwear industry.

The USSR Ministry of Light Industry and the State Committee for Standards are managing eight programs for the comprehensive standardization of the major types of commodities, such as footwear, knitwear, sewn garments and others. These programs envisage interrelated requirements regarding the quality of the raw materials, semimanufactured items, dyes, equipment and tools used in the production process.

The production volume of light industry is expected to increase by 18-20 percent and more high-quality goods in great demand will be manufactured, especially various types of cotton, woolen, silk and linen fabrics and garments made of these fabrics, knitted underwear and outerwear, hosiery, curtain fabric, fur headgear and artificial fur and leather. The increased production of children's goods of better quality will be given special attention. The textile industry will be developed through broad-scale remodeling and the technical re-equipping of production units. During the current five-year plan these objectives will absorb two-thirds of the capital invested in industrial construction in the branch.

The reinforcement of the raw material base will be of great importance. Up to 70 percent of the products of group "B" were once made of agricultural raw materials. Now, along with the development of the agroindustrial complex, as the main supplier of raw materials for the textile, knitwear and leather industries, measures are being planned to increase the output of high-quality goods made of artificial leather, suede and fur.

The decree of the CPSU Central Committee and USSR Council of Ministers "On Measures To Increase the Output of the Most Vital Goods in 1981-1985 and the Fuller Satisfaction of Public Demand for These Goods" maps out a complete program for the accelerated augmentation of the output of some goods which are now in short supply. They include cotton fabrics and articles made of them, knitwear, hosiery, non-woven materials, rubber footwear, soap, synthetic detergents and other vitally necessary goods. High assignments have been set for the production of children's goods. The output of many vital necessities and goods in mass demand will grow at a rate double or triple the rate of the 10th Five-Year Plan. The development of the production of non-woven materials and the use of these materials for technical purpose constitute one important way of increasing sales of cotton fabrics and items made of them. This could supply the market and the garment enterprises of light industry with an additional 500 million square meters of cotton fabrics.

During the 11th Five-Year Plan attention will be focused on the fuller satisfaction of the public demand for high-quality goods in a greater variety. The production of scarce items will be stepped up in the knitwear industry--cotton underwear--and in the garment industry--cotton and mixed-blend shirts, coats, raincoats and jackets, and cotton dresses, jumpers and robes. The output of fashionable athletic footwear and footwear with uppers made of high-quality natural and synthetic leather will increase substantially.

Enterprises of machine building and instrument building will contribute much to the increased output of many goods for cultural and consumer purposes and housewares, which are all required for the development of the travel industry. During the last five-year plan, these branches produced around 43 million radios and phonographs, over 36 million television sets, 313.6 million watches, 29.5 million refrigerators and many other goods. Color television sets have become a common sight. Around 2.3 million of these sets were already being manufactured in 1980. The output of small television sets, stereo systems and microcalculators is growing. The timepiece industry is developing rapidly; our watches have won widespread recognition abroad and much of our product is being exported. At the end of 1980 the estimated numbers of durable goods per 100 families included 515 watches, 86 radios, 85 TV sets, 84 refrigerators, 71 washing machines, 66 sewing machines, etc.

The output of cultural consumer goods and housewares should increase at least 1.4-fold during the current 5 years, from 43.5 billion rubles to 61 billion. Furthermore, their quality will be improved and their assortment will be constantly renewed and improved.

The decree of the CPSU Central Committee and USSR Council of Ministers "On the Production of More Goods in Mass Demand and the Improvement of Their Quality and Assortment in 1981-1985" outlines several ways of overcoming the shortage of some cultural consumer goods and housewares. These assignments call for a 2.3-fold increase in the output of color TV sets in 1985, a 2.2-fold increase in the output of cassette recorders, a 1.6-fold increase in that of automatic and semiautomatic washing machines and a 1.7-fold increase in that of refrigerators with a capacity of 200 cubic decimeters or more.

Plans envisage a much larger output of electronic quartz timepieces, reflex cameras, enamel cookware and china, gardening tools, paints and varnishes, science hobby goods for children and other items.

The fulfillment of the five-year-plan assignments will bring the number of refrigerators per 100 families up to 95, the number of washing machines up to 80, the number of vacuum cleaners up to 43, etc.

It will be important to establish the necessary conditions at enterprises of group "A" for a larger output of goods in mass demand and to give their collectives moral and financial incentives to increase this output. At present, the production of these items often puts these enterprises at a disadvantage because it lowers their economic indicators. For example, the fund-forming indicator--labor productivity--is much lower in consumer goods production shops than in basic production units. Obviously, enterprises should have separate plans for the production of their main product and products in mass demand.

The increased production of consumer goods in branches of group "A" will also have a negative effect on another important indicator--the proportional quantity of products of the highest quality category--because many consumer goods are not certified for the Emblem of Quality. This is why there is a need for improvement in the planning and pricing mechanism and the system of incentives for the production of high-quality consumer goods.

Each year the output of consumer goods increases, the assortment is expanded and the quality of these goods improves. Many items with new qualities appear. They include solid state color television sets, high-quality stereophonic cassette recorders and attachments, refrigerator-freezers and several other items. Items recommended for mass production must have a definite advantage over older products, must be more durable and reliable, must be manufactured with the aid of the latest engineering and technological discoveries and must be accessible to a broad range of consumers.

To heighten responsibility for the development, manufacture and sale of high-quality products and for their proper preservation, the decree of the CPSU Central Committee and USSR Council of Ministers "On More Intense Work for the Conservation and Efficient Use of Raw Materials, Fuel, Energy and Other Material Resources" envisages more sweeping economic penalties for the violation of standards and technical requirements and specifies that the following organizations will be subject to these penalties: project planning and design organizations, scientific research establishments and engineering enterprises--during the stages of the product's development and manufacture; agricultural, procurement, supply, sales and wholesale and retail trade organizations and enterprises--during the stage of product sales and storage; transport enterprises--during shipping.

In accordance with the decisions of the 26th party congress and the decree of the CPSU Central Committee and USSR Council of Ministers on the improvement of the economic mechanism, an integral comprehensive program is being drawn up for the production of absolutely new high-class items which are not being manufactured in our country at the present time. Many consumer goods are to reach the level of the best world models. According to forecasts by experts, in the next few years there will be more demand for furniture (in connection with the improvement of housing conditions) and machinery and appliances to simplify housework and ensure better conditions for cultural recreation, sports and travel. According to VNIIKS [All-Union Scientific Research Institute of Consumer Demand and Market Conditions] estimates, by 1985 the sales volume of fundamentally new and improved goods will be around 25 billion rubles. The high variability of demand in connection with the growth of income and the saturation of the market will require, according to expert estimates, the annual production of at least 5 billion rubles' worth of new goods.

Enterprises using local resources and materials and industrial and agricultural waste products in the manufacture of items have considerable potential for the saturation of the market with consumer goods. There is probably no other sphere of the national economy in which local reserves play as important a role as they do in the satisfaction of daily consumer needs and in public services. The output of enterprises of local industry will increase 1.4-fold between 1981 and 1985. This will be accomplished through the fuller use of local resources, the development

of handicrafts and the extensive use of the labor of people working in their homes, especially disabled and retired individuals. Auxiliary industrial production units on kolkhozes and sovkhozes, using the labor of the rural population off-season, will also continue to be developed. These production units will be engaged in the processing of agricultural products and in the manufacture of construction materials and consumer goods, primarily with local raw materials and industrial waste products.

When L. I. Brezhnev spoke at a session of the USSR Supreme Soviet Presidium, he stressed: "In matters like these, the soviets and their ispolkoms should not make polite requests, but should behave like strict and demanding masters, for the better exercise of their coordinating and controlling authority."[4] The recent decree of the CPSU Central Committee, USSR Supreme Soviet Presidium and USSR Council of Ministers on a more important role for soviets in farm construction should serve as an excellent incentive. This decree envisages, in particular, that the councils of ministers of autonomous republics and kray, oblast and okrug soviets will be authorized to sell the public, through the retail network, up to 50 percent of the goods produced over and above the plan by enterprises located within their territorial jurisdiction. Trade administrations and the workers of wholesale bases and offices must offer all types of assistance in the use of local resources in the production of goods.

To ensure the implementation of the 26th CPSU Congress decisions regarding the constant elevation of the material and cultural standard of living, the collectives of leading enterprises and associations in Moscow and Sverdlovskaya Oblast proposed ways of considerably increasing the output, expanding the assortment and improving the quality of consumer goods during the current 5-year period. The measures they suggested envisage the organization of the production of consumer goods at the overwhelming majority of industrial enterprises and associations. The greatest importance has been attached to the improvement of product quality, the mastery of the production of new products, including technically complex items, and the considerable augmentation of the output of consumer goods in high demand. These programs will be carried out primarily by means of the remodeling and specialization of existing enterprises and shops, the incorporation of progressive technological processes and the more efficient use of raw materials, including local resources, and production waste. The CPSU Central Committee has commended this initiative.

Special attention must be given to the further improvement of the interrelations between industry and trade and the augmentation of the trade network's role in optimizing the supply of consumer goods. The system of plan indicators and criteria for evaluating the performance of enterprises manufacturing consumer goods and the system of economic incentives must focus on the final national economic results of this activity--that is, on the fuller satisfaction of social and personal needs and the enhancement of operational efficiency and quality. This will first take the form of the fulfillment of the delivery plan in the proper assortment and on the scheduled dates envisaged in contracts with trade enterprises. The anticipated changes in the system of plan indicators during the current 5 years will be the result of the optimal combination of natural and cost indicators and of qualitative and quantitative indicators. A list of indicators specified in the five-year plan (with specific assignment for each year) has been compiled for the first time. This will be just one step away from the use of an indicator for the

quantitative measurement of the final results of the activities of branches producing consumer goods and satisfying public demand for various commodities, with a view to scientifically substantiated consumption norms. The use of this indicator will play an important role in evaluating the performance of ministries in the production of specific items.

The binding nature of contracts is particularly significant today, now that production associations (and enterprises) have made the transition to direct ties with organizations in the state and cooperative trade networks. In 5-year contracts (with a yearly breakdown), only goods of the contracted assortment are included in calculations of the delivery volume. In annual plans the assortment is specified in detail and clarified at least a month and a half before the beginning of the year.

To heighten the impact of economic incentives for associations, enterprises and organizations and to give their collectives a greater financial interest in the fuller use of industrial waste, secondary resources and local raw materials, the decree of the CPSU Central Committee and USSR Council of Ministers "On More Intense Work for the Conservation and Efficient Use of Raw Materials, Fuel, Energy and Other Material Resources" stipulated certain necessary measures. It decreed that, beginning in 1982, the profits earned from the sale of consumer goods and production engineering items made of production waste products would be the property of the associations, enterprises and organizations and would be deposited in the consumption fund: They could deposit the whole amount if the profit margin (in relation to overhead costs) was under 25 percent, and half of the amount if the margin was over 25 percent, on the condition that the cost of the waste products used in the production of goods and items accounted for at least half of the cost of all resources and materials, excluding the cost of auxiliary materials. All of this should allow for the more efficient use of production capacities and local resources.

This decree has much to say about the improvement of the quality of consumer goods. The State Committee for Standards plans to work with ministries on a comprehensive program for the standardization of the major types of consumer goods, with interrelated requirements set on the quality of crude resources, materials, components and the finished product. The products of new and remodeled enterprises should be on a par with the best Soviet and foreign models.

Trade must take more responsibility for the accuracy and validity of orders (and industry, in turn, must take more responsibility for filling these orders). Otherwise, industry has no guarantee that its goods will be sold after it has made great efforts to organize their production. There is no question that the present economic and legal status of orders for consumer goods is inhibiting the growth of the output of some items, particularly capital-intensive products, cultural consumer goods and housewares.

The necessary conditions for the development of the socialist spirit of enterprise in this area now exist. Trade and industry are taking more responsibility for the validity of orders and for their completion. Coordinated plans have been drawn up for the renewal of the assortment and the improvement of the appearance and finish of articles. Now these matters must be specified in greater detail in enterprise contracts. Besides this, long-range forecasts of demand up to 1990 and 2000 are

being compiled with a view to scientifically substantiated norms. Under these conditions, it is more important to study public demand, and this will require purposeful effort by various subdivisions of trade, ministries and departments and the introduction of progressive forms of work which will guarantee quick reactions to the wishes of the customer.

Demand is studied so that it can be satisfied by production in line with trade orders. This would eliminate the possibility of "iron," "brush" and "lamp" crises and other shortages. Shortages generally occur when the quantity of items produced is far smaller than the quantity needed for the satisfaction of customer demand. Trade's orders for many goods are filled only by 60-80 percent. This reminder is necessary because people often speak about the artificial shortages which are allegedly created or can be created by trade personnel. In 1980, for example, industry was instructed to produce 30 million less toothbrushes than the required number. Furthermore, even this plan was underfulfilled by almost 9 million. Trade orders for electric irons were short by 500,000 units.

At the November (1981) CPSU Central Committee Plenum, L. I. Brezhnev remarked: "There is only way of solving these and other problems. It consists, as the party has repeatedly pointed out, in production growth, higher labor productivity and increased economic efficiency."

It must be said that errors are sometimes made in the distribution of consumer goods among trade systems and organizations, leading to above-norm stocks in some organizations and enterprises and shortages in others. As a result of inefficient and irresponsible management, some trade enterprises do not put goods on sale even when these goods exist in sufficient quantities.

The evaluation of the results of industrial enterprise activity and the formation of economic incentive funds are based on the degree to which assignments and delivery obligations are fulfilled. Sometimes it is the fulfillment of the sales plan, rather than the delivery plan, that serves as the basis for evaluations and rewards. Many ministries and departments of union and union-republic jurisdiction set high maximum underdelivery limits for their enterprises. The Kazakh SSR Central Statistical Administration surveyed 146 enterprises. This indicator was over 5 percent at half of them, and only 11 of them had an indicator under 2 percent. At the majority of enterprises the maximum (permissible) percentage of underdelivery was 2-3 percent higher than actual plan underfulfillment figures. In spite of the fact that delivery plans were not fulfilled, the bonuses of administrative, engineering and technical personnel and employees were reduced only slightly. Workers are paid bonuses for quantity, for quality, for the conservation of water and light, for the collection of scrap metal, etc. There are around 20 different types of bonuses and various types of extra payments. Incentives are provided for everything but the fulfillment of delivery plans, but it is on these that the fulfillment of commodity turnover plans and the satisfaction of public demand depend.

According to some economists, there is good reason for the present variety of extra payments, bonuses and wage differentials. It seems to us that this variety is harmful because it allows for a choice of the particular results for which higher bonuses are paid, without any consideration for the main goal or for the interests of the national economy and the population.

An analysis of the work of industry in 1979-1981 proves that an extremely high number of enterprises did not fulfill shipment contracts. Some ministries have established something like preferential "limits" on the underfulfillment of delivery assignments for their enterprises, and this means that the administrative personnel of these enterprises can earn bonuses even when shipments are not made. Enterprises of the Moldavian SSR Ministry of Light Industry were authorized by their department to underfulfill the delivery plan by several percent. The USSR Ministry of Light Industry lowered the maximum percentage of delivery plan underfulfillment. In 1980 enterprises of light industry failed to deliver almost 2.5 billion rubles' worth of the goods specified in contracts and orders. At the same time, they produced large quantities of unordered goods. There does not seem to be any reason to pay bonuses to the collectives of enterprises which underfulfill contractual obligations by "only" 1 or 2 percent, thereby staying within the "limit." The 100-percent fulfillment of contracts for the delivery of goods in the assortment ordered by trade should be the norm for all enterprises.

We feel that there should be more mutual responsibility in relations between partners and that the penalty for the violation of delivery contracts and the production of substandard goods should not be a fine, but full compensation for all losses. In addition to the financial incentives for good work and for the production of high-quality goods, there should be financial liability for the failure to deliver goods in the proper assortment and for the production of defective goods.

In conjunction with other central agencies, USSR Gosplan and Gossnab have compiled and approved new instructions on the procedure for calculating the fulfillment of assignments and obligations for the delivery of products in accordance with contracts and orders. The instructions will be put in effect in 1982. They envisage stricter penalties for enterprises which fail to comply with delivery schedules. The unconditional observance of the new requirements will make contacts between industry and trade stronger and more reliable. The provisions of these instructions must be taken into account when economic relations between trade and industrial enterprises are being clarified for the five-year plan and the conclusion of delivery agreements.

The maximum growth of the output of consumer goods in all branches of the national economy and the improvement of their quality represent the most important element of the party's plans to enhance the Soviet people's well-being.

FOOTNOTES

1. Since 1965 the population of the USSR has grown by more than 34 million, with an increase of 45.1 million in the urban population and a decrease of 10.7 million in the rural population.

2. See "SSSR v tsifrakh v 1980 godu" [USSR Statistics for 1980], Izdatel'stvo "Finansy i statistika", 1981, p 170.

3. Ibid.

4. PRAVDA, 2 April 1981.

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CSO: 1827/110

CONSUMPTION TRENDS AND POLICIES

EXPANSION OF CONSUMER SERVICING IN BAM REGIONS PLANNED

Moscow VOPROSY EKONOMIKI in Russian No 2, Feb 82 pp 71-80

/Article by V. Dmitriyev: "Development of Consumer Services in BAM Regions"/

/Text/ In the last few years natural resources in the country's eastern regions have been developed at accelerated rates, to which the construction of the Baykal-Amur Trunk Line (BAM) contributes. Simultaneously with the construction of this trunk line the construction of new industrial projects is developing on a wide front in regions adjoining it. The commissioning of these projects will make it possible to greatly increase the output of hard coal and iron and complex ores and timber procurement and on this basis to establish a number of large production facilities for their industrial processing.

The buildup of the economic potential of eastern regions is one of the main trends in the economic strategy of the Communist Party of the Soviet Union. Specific tasks for the development of the economy of these regions are set in "Basic Directions in the Economic and Social Development of the USSR for 1981-1985 and for the Period Until 1990: "To expand the work on the economic development of the zone gravitating toward the Baykal-Amur Trunk Line. To complete the planning work on the Udokan Copper Deposit. To continue the formation of the South Yakutiya Territorial Production Complex and to complete the construction of the coal pit, concentration factory and first stage of the Neryungrinskaya GRES. To develop the technical and economic substantiations for the development of the iron ore deposit in South Yakutiya, as well as the construction of the Berkakit-Tommot-Yakutsk Railroad."

The task of the development of natural resources in the BAM zone and the formation of territorial production complexes envisaged here necessitate a wide influx of manpower. As the practice of economic development of little-inhabited territories shows, the creation of normal living conditions ensuring a high adaptability of the population is the main factor in the solution of the personnel problem. Meanwhile, the influx of manpower to eastern regions and its retention are hampered for a number of social reasons, primarily the shortage of well-managed housing, children's, medical and cultural-educational institutions and trade and consumer service enterprises.

At the 26th CPSU Congress L. I. Brezhnev drew attention to the need for the solution of important social problems in the country's eastern regions: "Sometimes it is assumed that it is sufficient to increase wage increments in Siberia, the

Far East and northern regions and people will not leave these areas. Of course, increments are needed. However, this alone will not solve the problem. A person leaves, for example, Siberia mostly not because the climate does not suit him or his earnings are low, but because here it is more difficult to obtain housing and to place a child in a kindergarten and there are not enough cultural centers. That is why we plan to carry out the construction of housing and of the entire social and cultural complex at even higher rates and to improve the population's supply with consumer goods in these regions during the present five-year plan."

The industrial development of the territory adjoining the BAM is carried out under exceptionally complex natural and climatic conditions (a sharply continental climate, increased seismicity and permafrost). These difficulties are compounded by the extremely low population density, lack of roads and remoteness of future construction projects from large centers with an existing base for social and cultural services capable of partially making up for the shortage of services in the newly developed regions.

The complexity of local conditions in the zone causes a significant increase in the cost of production construction and of the creation of the necessary elements of the social infrastructure. According to the calculations of specialists, the per-capita expenditures connected with the attraction of manpower to the BAM zone and its buildup are 2.5 to 3 times higher than in the country's European part. Under these conditions the solution of the problem of the population's adaptability and on this basis the establishment of stable personnel is of great importance. This can be achieved by ensuring an adequate standard of living in BAM regions. An overall approach to the creation of the necessary standard of living conditions--provision of maximally high living conveniences, including well-managed housing, regular supply of the necessary food and industrial products and rationally organized development of all the sectors of the service sphere--is important.

In the last few years the sphere of consumer services for the public has developed at rapid rates. The strengthening of the sector's material and technical base, establishment of large specialized enterprises and overall rural receiving centers and implementation of a system of measures directed toward an improvement in the organizational structure of management of consumer services for the population contribute to the above. An accelerated development of domestic services is also characteristic of oblasts through which the BAM passes. In 10 years (from 1970 through 1980) the volume of services sold to the population throughout the region increased 2.3-fold (by 131 million rubles), the number of enterprises, by 1,900 units and the number of workers in the sector, by 42 percent.[1] At the same time, the network of specialized enterprises grew rapidly. At present they perform more than one-half of the total volume of consumer services. Specialization was almost fully carried out in such subsectors of the service sphere as the repair of household machines, appliances, and television and radio equipment, dry cleaning, laundries and the manufacture of knitwear. During the indicated period much attention was paid to an improvement in the organization of acceptance of the population's

1. On the average, the evaluation of the present state of development of consumer services is given for Irkutskaya, Chitinskaya and Amurskaya Oblasts, the Buryatskaya and Yakutskaya ASSR and Khabarovskiy Kray.

orders for the performance of various consumer services. Advanced forms and methods of services for the population were introduced, the operating schedule of consumer service projects was regulated and the network of overall receiving centers, especially in rural areas, expanded. In rural areas the number of such centers almost quadrupled.

On the whole, however, consumer services in the BAM zone are less developed than in central regions, which is reflected in the level of consumption of consumer services, their quality and the service standard. This sector is not developing in a sufficiently uniform manner in various parts of the region. For example, in Chitinskaya Oblast 79 people are employed in consumer services per 10,000 people, in the Buryatskaya ASSR, 82 people, in Irkutskaya Oblast, 99 people, in the Yakutskaya ASSR, 110 people, in Amurskaya Oblast, 106 people and in Khabarovskiy Kray, 105 people. Despite the fact that in the last few years the number of enterprises and projects for consumer services has increased gradually, obviously, they are insufficient. First of all, this applies to centers of acceptance of the population's orders for domestic services. For example, in Irkutskaya Oblast there is one receiving center for 2,100 residents, in Khabarovskiy Kray, for 1,700 and in the Buryatskaya ASSR and Chitinskaya Oblast, for 1,600, whereas, on the average, in the RSFSR, for 1,500.

The transfer of consumer services to an industrial basis is carried out slowly in the indicated regions. For example, at enterprises in Chitinskaya Oblast the total machine-worker ratio comprises 68 percent of the average level in the RSFSR, in Khabarovskiy Kray, 92 percent and in the Buryatskaya ASSR, 68 percent. In a number of rayons in this region the share of the active part of fixed productive capital and the level of mechanized labor are lower than the average in the republic. In practice, this leads not only to a reduction in the volume of services, but, at the same time, to a decrease in the sector's efficiency, because under conditions of a lower machine-worker ratio and power-worker ratio specific labor expenditures on the production of services rise and, ultimately, the profitability of services is lowered. According to the data of the Scientific Research Institute of Chemical Technology for Consumer Services (NITKhIB), in the regions of the Far North and the Far East specific expenditures per ruble of consumer services greatly exceed the average republic level: for custom sewing and knitting of knitwear, by 59 percent, dry cleaning and dyeing of clothes, by 49 percent and custom sewing of sewn articles, by 39 percent.

Owing to the insufficient development of the material and technical base of consumer services and defects in the organization of services, the level of per-capita consumption of services in the autonomous republics and oblasts adjoining the route of the future trunk line is approximately 30 percent lower than in the country's European regions. The per-capita provision of the services of dry cleaning enterprises is 50 to 55 percent lower here, of motor transport repair enterprises, 55 to 60 percent, of housing repair and construction enterprises, 40 to 45 percent, and of enterprises for the repair of household and radio television equipment, 20 to 25 percent.

At the first stage in the economic development of the BAM zone the basic load of services for the arriving population falls on the material and technical base of the consumer service existing near the places of new construction, but, as the above-

mentioned data indicate, it cannot provide the entire necessary set of services even to the local population. Along with the difficulties in living under extreme natural conditions workers at new construction projects and their family members are also forced to experience a poorly organized way of life for a long time, which complicates the task of formation of stable personnel in this region. Now in the most intensively growing centers of the BAM zone--Tynda and Neryungri--the per-capita volume of consumption of consumer services is 2 to 2.5 times lower than the average in oblasts in the Far East Economic Region. The situation with the organization of consumer services in small settlements and directly at the sections of dislocation of construction subdivisions is even more complicated.

At present it is important to correctly determine the main trends in the improvement in consumer services and the specific characteristics of new development regions, which, in turn, determine the principles of organizational structure of the service system and the requirements on the types of enterprises, technological regimes, forms of services, the occupational skill composition of personnel and so forth. Such an approach will make it possible to avoid the shortcomings characteristic of consumer services on the territory adjoining the BAM zone and to establish a service system in the new regions, maximally orienting it toward the specific conditions of development in the BAM zone.

In the last few years a number of scientific and planning institutions in the country under the methodological guidance of the Scientific Council for Problems of Economic Development of the BAM zone organized under the Presidium of the USSR Academy of Sciences have been engaged in the elaboration of the program for the social and economic development of this region. The general and sectorial outlines of its overall economic development have been worked out and the approximate limits of distribution of productive forces and the needs of individual rayons and territorial production formationsfor labor resources, capital investments and so forth have been established. Thus, a scientific basis for the pursuance of research of an applied nature has been established. Rayon schemes of development and placement of consumer service projects should become an integral part of this research. However, such detailed studies have not yet begun in this area, which in the future can lead to a tardy commissioning of consumer service enterprises and to an increase in the gap in the level of provision with services, as well as in their quality, between the regions from where the settlers come and new development regions. Apparently, the RSFSR ministries and departments responsible for the development of specific spheres of activity of the consumer service and the scientific and planning institutes subordinate to them should accelerate the preparation of proposals for the formation of the necessary complex of consumer services in the zone of BAM development.

A careful study of the features characteristic of this region--severe natural-climatic conditions, remoteness from inhabited territories, a low population density, fractionation of settlement areas, weak transport communications among them, an increased share of young people, men and unmarried people in the structure of the population, spread of the watch method of development of raw material resources, increased production costs and substantial expenditures on facilities for the population--is an important condition for the development of consumer services in the zone. These characteristics determine, on the one hand, the organizational principles and forms of services, the types and dislocation of consumer service enterprises and the requirements on the occupational skill composition of personnel and,

on the other, directly affect the total amount and specific structure of consumption of consumer services. Therefore, when working out recommendations for the development of consumer service sectors, principal attention should be concentrated on problems dictated by the specific conditions of this zone.

The settlement system in the BAM zone is characterized by the predominance of small and medium-size cities, as well as small settlements significantly removed from each other, which limits the transport accessibility of some settlements located in the heart of the territory. As a result, the possibilities for the development of intrasystem cooperation in the sphere of services, which presupposes the performance of work at large specialized enterprises and a regular delivery of articles to places of consumption, are lowered to a minimum.

The dispersal of the population over a significant part of this region requires the establishment of an internal closed service system, in which almost the entire complex of consumer services will be developed in every settlement. In turn, this predetermines higher specific expenditures on the per-capita establishment of consumer service projects, which must be reflected in the long-term plans for the development of this sector in the BAM zone.

The organization of services according to a closed system will slightly raise the indicator of the standard number of people employed in this sphere, which under the conditions of the local small-volume demand for services will bring about a reduction in the shift load of experts in consumer services and an incomplete utilization of production capacities. The training of experts of broad specialization, that is, all-rounders--barbers, boot and shoe industry workers, mechanics for the repair of radio television equipment and household machines and appliances and so forth--can be the way out of this situation. This trend in the area of personnel formation will contribute to an efficient development of mobile forms of services for the public in the BAM zone. An expansion of the range of combined occupations by consumer service workers also determines a slightly different production specialization, which should be based on the combination of types of services close in technology.

The level of utilization of labor resources in the BAM zone can also be raised as a result of an efficient organization of the system of organized recruitment of personnel. For example, when recruiting industrial workers, preference should be given to those whose second family members have practical experience in consumer services. The importance of such an approach to the formation of personnel is dictated by the general orientation of the program for the economic development of the BAM zone toward a decrease in the expenditures of live labor, which is connected with the increased expenditures on facilities for the population brought here.

The determination of the sectorial structure of services, which in a number of regions will differ slightly from the average republic structure, is a complex element in the development of the scheme of organization of consumer services in the BAM zone. Deviations in individual items are of an objective nature and are connected with the specific nature of natural-economic and social factors. For example, the increased demand for the renting of articles for cultural and general purposes and household use (especially during the period of initial buildup of the

territory), which is caused by the fact that the new development regions are not populous and by the high proportion of young people without families in the total population, is natural here. This feature of the structure of consumption of consumer services is characteristic of all the newly developed regions. For example, in Angarsk, Amursk, Nizhnevartovsk, Tol'yatti, Volzhsk and other young cities the per-capita volume of sale of the services of renting centers is approximately twice to three times as high as throughout the republic.

The renting of articles for cultural-general and household purposes is one of the most widespread types of services in the settlements of BAM builders. Transistor sets, tape recorders, television sets, refrigerators, washing and sewing machines, dishes, wedding outfits and even pianos are in great demand. The work of this service must be organized so that the population's needs are fully met in every city and settlement. However, as an analysis shows, renting is developed mainly in large settlements. The general state of this type of service in the oblasts through which the BAM passes is not high. As a rule, renting centers and equipment for rent are insufficient here. For example, whereas in 1980, on the average, in the RSFSR the value of the allocations for rent per center was 61,000 rubles and in rural areas, 26,000 rubles, in Chitinskaya Oblast, 35,000 and 12,000 rubles respectively, in the Buryatskaya ASSR, 38,000 and 9,000 rubles, in Amurskaya Oblast, 39,000 and 19,000 rubles and in Irkutskaya Oblast, 41,000 and 16,000 rubles.

The shortcomings in the organization of the work of the renting service are due to the existing procedure of its provision with equipment for rent. The appropriate allocations are acquired on the basis of the orders of consumer service institutions in trade institutions. However, the local trade network does not always have a sufficiently wide and varied assortment of goods, especially novelties and scarce goods in demand by young people. The transition to centralized specific deliveries of the necessary set of articles for cultural-general purposes and household use from general republic resources to renting services could contribute to an improvement in the activity of this important service sector.

The need for an economical utilization of labor resources in the BAM zone sets the task of reducing sewing, knitwear and footwear production facilities in the system of consumer services. In our opinion, the structure of services existing in inhabited regions should not be mechanically transferred to the BAM zone. The domination of labor-intensive custom sewing of clothing and footwear in the total volume of services is its most significant defect. For example, in Chitinskaya and Amurskaya Oblasts and in the Buryatskaya ASSR these types of services comprise more than 38 percent and approximately one-half of the workers in consumer services are engaged in their performance. The reservation of key positions in the sphere of consumer services to sectors specializing in the manufacture of sewn and knitwear articles and footwear is due primarily to the insufficient assortment and quality of finished articles produced by industry, as well as to the unsatisfactory supply of the population in the country's eastern regions with these goods. For example, in 1975-1980 the volume of deliveries based on the market allocations of sewn articles per resident in Chitinskaya Oblast was 20 percent lower than, on the average, in the RSFSR, of leather footwear, 21 percent and of knitwear articles, 22 percent. A smaller number of these articles were sold in Irkutskaya Oblast and the Buryatskaya ASSR.

In our opinion, in the future the clothing needs of residents in the BAM zone should be met through retail trade and consumer cooperatives. It is advisable to introduce a special provision of the residents of this region with light industry consumer goods in full accordance with the rational standards developed by scientific institutions for this climatic zone. At the same time, the manufacture of work clothing, footwear and sheepskin-fleece, fulling-felting and other articles should be concentrated at specialized enterprises in inhabited regions in East Siberia and the Far East. Stylish clothing and footwear should be brought to these regions from the Baltic area, Moscow, Leningrad and Novosibirskaya Oblasts and other recognized centers of manufacture of these goods and requirements should also be met by import deliveries. Consumer service enterprises should only supplement the basic volume of deliveries of such articles (for example, provide people, whose figures are not standard, with clothing, as well as with national clothing and footwear and so forth). At the same time, it is necessary to expand the network of work rooms and shops specializing in the repair and renovation of warm clothing and footwear. The level of consumption of these services in BAM regions will be much higher than the average republic indicator.

The demographic characteristics of this zone, in particular the prevalence of young people, who will live in modern hotel-type hostels, in the total population, predetermine an increase in the proportion of services offered at the expense of public funds in the volume of consumption. It is advisable to include dry cleaning, bath house services, renting of sports and tourist equipment and various articles for domestic use and linen washing in the list of the social benefits that will be established here for the purpose of retention of labor resources. These types of benefits should be introduced primarily for workers of watch settlements and individuals living in youth hostels.

At the stage of full development of new industrial regions the high proportion of the able-bodied population, which is the most active consumer of services, will be reflected both in the volume and structure of sale of services. It is realistic to expect here an increased demand for dry cleaning, linen washing, repair of motion picture and photographic equipment, services for festive family holidays and so forth. It is necessary to envisage an overall provision of a number of services. In our opinion, the sets of services according to the "wedding," "new settler," "rest" and other programs will become very popular. At the same time, the consumption of such types of services as furniture repair, repair and maintenance of motor transport facilities and repair and construction of housing will be much lower than in other regions for a long time.

A correct orientation in the characteristics of manifestation of the population's needs in this zone is very important for the substantiation of the order and volumes of commissioning of consumer service enterprises, which ultimately will increase an efficient utilization of the allocated investments. In our opinion, the sectorial groups of consumer services that have the greatest effect on the stabilization of personnel at this stage should be developed on a priority basis in the BAM zone.

The standardization of the produced domestic equipment is an important problem, on whose solution an improvement in the quality of services for the public depends. Almost 40 brands of refrigerators, more than 50 brands of washing machines, up to

25 or 30 brands of vacuum cleaners and electric shavers and many brands of watches with various schemes of operation and sets of parts are now used by the population. This extremely complicates the organization of work of repair enterprises and leads to interruptions in their supply of spare parts, especially in the zone of development of new territories.

The transfer of enterprises to the output of radio, television and household equipment on the basis of standardized parts and units will take a long time. Therefore, it seems justified to control on a planned basis the brand composition of durable goods sent to the trade network of cities and settlements established in the BAM zone. Through a population survey it is necessary to establish the three or five most "popular" brands of refrigerators and television sets and, as this region is settled, to provide new settlers with them in a planned manner. The same line should be followed during the formulation of orders for articles for cultural and general purposes for youth hostels, hotels, rest homes, clubs, schools and medical and other public institutions.

Cities with a population of 10,000 to 15,000 will be built in a number of BAM regions specializing in the development of ore deposits. Some of them will become bases, from where shift watches of workers will depart for distant mines and fields. The watch settlement should be a small hotel complex provided with basic service projects (a restaurant, medical center, club, laundry, bath house, bakery and so forth). The scientists and planners of the consumer service system should take the most direct part in the development of plans for watch settlements, in the determination of the model list of consumer service projects and the set of services needed by the population under the conditions of the watch method of work and in an efficient organization of services. This should be preceded by an analysis of the existing experience in the use of the watch method of work accumulated during the development of petroleum and gas bearing deposits in West Siberia.

A high social and economic effect in the BAM zone can be obtained from mobile settlements. Living premises (individual homes for workers with families and hostel houses) and projects for cultural and general purposes in such settlements are established on the basis of motor-vehicle trailers or through the use of dismountable assembled structures. Such settlements should be provided with electric power, a water pipe, a heating system and comfortable and practical furniture and be equipped for a normal functioning of all services under harsh climatic conditions. In our opinion, at the base of the planning organizations existing in the system of consumer services it is necessary to establish a service for the planning of dismountable assembled and mobile types of consumer service enterprises: bath houses, laundries, barber shops, shops for the repair of clothing and footwear and renting centers. These projects require the development of special technological equipment adapted for installation on dismountable assembled premises, as well as of containers for its transportation when a settlement is moved to a new place. The use of mobile consumer service projects will make it possible to provide the population in new development regions with a set of consumer services.

The provision of the enterprises of this sphere with transport is an important task of the organization of consumer services in the BAM zone. For the most part, vans or ordinary motor vehicles with cabins installed in bodies for the transportation of people are now used in the consumer service. Such transport facilities

are not heated or are provided with a primitive heating system, but in BAM regions in winter they are used at 30 to 40 degrees of frost. Nor are such transport facilities adapted for long trips (from 50 to 300 km) on impassable and winter roads. The decree of the CPSU Central Committee "On the Work of the RSFSR Ministry of Consumer Services on Improvement in the Quality of Fulfillment of Orders and Rise in the Standard of Services for Workers" paid much attention to the problems of improvement in material and technical supply for consumer service enterprises, including the provision of regions in the Far North and Far East with specialized motor transport.

The All-Union Experimental Design Institute of Bus Building developed the first models of watch machines. These are all-purpose vehicles on the basis of the GAZ-66 and ZIL-375 trucks with spacious, comfortable and heated saloons. Double windows, thermal insulation and an additional furnace make it possible to maintain a constant temperature in such an all-purpose bus even during a bitter frost. The saloon is equipped with a radio and maintains communication with the driver. Such a motor-vehicle equipped with two axles is designed for the transportation of geologists and petroleum specialists working far from settlements on impassable and bad roads. The introduction of minor changes in the equipment of the passenger compartment of the new vehicle would make it suitable for the consumer service at the BAM.

The question of the use of railroad transport for consumer services for the population should also be thought out. Specialists in the consumer service of Ukhtinskiy Rayon, the Komi ASSR, accumulated a wealth of experience. In this rayon there are a number of settlements that can be reached only by railroad. The workers of the consumer service of the Ukhta City Consumer Service Combine together with railroad workers with the active assistance of the city executive committee transformed the railroad car into a distinctive mobile house of consumer services. An overall brigade consisting of four people--a clerk accepting orders, a cutter, a barber and an expert in the repair of household, television and radio equipment--operates in this house on wheels. The brigade services settlements strictly according to schedule. The railroad car has two routes: One in the direction of Ukhta-Tobis station and the second, Ukhta-Iras' station. The length of this route is 1 week. The orders received en route are transferred for execution by specialized enterprises, the railroad car is loaded with ready orders, samples of fabrics and footwear and the necessary materials and departs in the opposite direction. The railroad car visits every settlement twice a week strictly according to schedule, about which the population is informed. It stops there for 3 to 5 hours. During that time the brigade of consumer service workers performs services directly on the spot or accepts orders. The orders received en route are executed by specialized enterprises in Ukhta. From the railroad a conductor travels with the brigade, solving all the problems connected with moving the railroad car from one settlement to another. The Sosnogorsk Railroad Department and the Pecherles Association, that is, the organizations whose workers live in the settlements serviced by them, incur the expenditures on the maintenance of the mobile house for consumer services. In Ukhtinskiy Rayon, the Komi ASSR, about 20,000 people are serviced in this way. On the average, the volume of consumer services totals approximately 8,000 to 9,000 rubles per month.

It is advisable to introduce the indicated form of services in the zone of economic development of the BAM primarily for residents of small settlements located along the railroad, whose number along the route is more than 200 right now. For a mass development of this form of services it is necessary to solve a number of problems concerning the improvement in its technical base. Specifically, the planning organizations of the Ministry of Railways, the RSFSR Ministry of Housing and Municipal Services and the RSFSR Ministry of Consumer Services ought to establish a special railroad car with the necessary technical facilities for the consumer service. In particular, for the on-the-spot repair of refrigerators, washing machines, radio receivers, television sets and tape recorders the railroad car should be fitted with the appropriate diagnostic equipment. It is also necessary to equip the railroad car with special shelves and fixtures for the transportation of household articles requiring repair under stationary conditions. At the same time, apparently, it is necessary to develop several types of railroad cars, each of which should perform specific functions. For example, a modification of the railroad car with the installation of a self-service laundry in combination with equipment for the dry cleaning of clothes, a specialized renting center railroad car and so forth are possible. The staff members of the consumer service, who work in such railroad cars, must not be forgotten. Normal working and rest conditions should be established for them.

A prompt commissioning of consumer service enterprises is important for an improvement in services for the public. However, the establishment of consumer service enterprises is delayed. This is connected to a large extent with the scattering of the construction of consumer projects over many ministries and departments, which build primarily production projects. Apparently, it is necessary to reorganize the system of financing of capital construction and material and technical supply of the entire social infrastructure. This author fully shares the urgency of the proposal by a number of economists on the advisability of centralization of the funds for the development of the sectors of the social complex in the hands of a single customer. The question as to who should be entrusted with the functions of the general buyer responsible for the rates and overall nature of development of new cities and settlements is fundamental for the BAM zone.

As is well known, nine territorial production complexes are to be established on the vast territory of the BAM zone, which comprises approximately one-tenth of the RSFSR area. At present planning bodies and ministries jointly with the Siberian Department of the USSR Academy of Sciences and the Central Scientific Research Economic Institute under the RSFSR State Planning Committee are completing the preparation of the overall program for the development of this zone for the period until 1990 with a 5-year breakdown, which also reflects problems connected with the management, financing and construction of projects of the nonproduction sphere. The essence of our proposals on the organizational principles of the social development of BAM regions is as follows.

Taking into consideration the territorial dispersion of the industrial enterprises established in the BAM zone, the weak transport communications within the zone and the considerable remoteness of new construction projects from developed regions, it is necessary to have in every territorial production complex a general buyer fully responsible for its production and social development. The performance of the function of the general buyer should be entrusted to one of the ministries developing this region. Specific general buyers are appointed for every territorial

production complex with due regard for the sectorial specific nature of investment programs. Nonproduction construction in the BAM zone should be financed with the funds allocated to the ministries and departments carrying out the economic development of territorial production complexes. The volume of these funds should be designed to meet the needs of the entire population of a territorial production complex, which resides and is brought there in connection with new construction, for the appropriate necessities of life. To determine the material contribution of every ministry to the development of infrastructure projects in a specific territorial production complex, it is advisable to distribute the total amount of the capital investments needed for this among ministries in accordance with their share in the total population of a territorial production complex. These funds should be placed in the fund of the general buyer--the ministry responsible for the economic development of a territorial production complex.

The direct construction of social projects should be carried out by specialized construction ministries, whose sphere of activity includes the regions of the BAM zone, and in some cases, by large ministries, which are the main builders of a certain territorial production complex. For example, in the South Yakutiya Territorial Production Complex during the 10th Five-Year Plan the performance of the functions of the general contractor was entrusted to two ministries--the USSR Ministry of Coal Industry and the USSR Ministry of Power and Electrification. In the annual plan of the general contractor the total volume of capital investments in nonproduction construction should be subdivided into individual items--housing, general educational schools, preschool and medical institutions, cultural and consumer service projects and so forth.

In our opinion, the transfer of the functions of a single buyer to local soviets of people's deputies is justified in the BAM zone at a later stage--the stage of conclusion of formation of municipal services. For the performance of these functions it would be advisable to establish the services of a single buyer, that is, administrations of capital construction, under executive committees of city soviets. Their content can be entrusted to ministries and departments developing an appropriate territory. At the same time, for a more active influence of local soviets on the provision of an overall buildup of the territory subordinate to them it seems advisable to introduce a system under which they would have the right of a "second" obligatory signature on all the documents connected with the construction of social infrastructure projects.

The need for an in-depth scientific study of the indicated problems with due regard for the local characteristics of the zone of economic development of the BAM is dictated by the exceptional importance of social measures in the buildup of the economic potential of the new territorial production complexes being formed in the country's east. The importance of this work especially increases in the light of the decision of the CPSU Central Committee and the USSR Council of Ministers "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality." It includes the development of the BAM zone among the most important programs, which must be worked out as integral components of state plans for economic and social development.

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CSO: 1827/73

CONSUMPTION TRENDS AND POLICIES

NEW BOOK SUMMARIZES EXPERIENCE WITH QUALITY CONTROL SYSTEMS

Moscow ROST PROIZVODSTVA I POVYSHENIYE KACHESTVA TOVAROV NARODNOGO POTREBLENIYA in Russian 1981 (signed to press 9 Feb 81) pp 3-5, 143-144

[Annotation, foreword and table of contents from book "The Growth of Consumer Goods Production and the Improvement of Their Quality" by Mikhail Yevseyevich Lomazov and Vladimir Andreyevich Shvandar, Moscow, Izdatel'stvo "Ekonomika", 10,000 copies, 1981, 144 pages]

[Text] This book elucidates theoretical and practical questions connected with the growth of consumer goods production and the improvement of their quality. Examples are cited to illustrate methods of calculating the socioeconomic impact of the improvement of consumer goods quality, and the experience of leading enterprises in the use of quality control systems is summarized. The book is intended for engineering and technical personnel and scientific workers engaged in the study of the economic impact of quality and in the development and incorporation of quality control systems at enterprises producing consumer goods.

Foreword by Professor A. V. Glichev, Doctor of Economic Sciences

Intensive factors of development are being stressed to an increasing degree in our country's economy under the conditions of developed socialism. This is why the improvement of product quality objectively acquires primary significance as a result of technological progress and as a material means of satisfying production and personal needs.

The publication of the CPSU Central Committee and USSR Council of Ministers decree "On the Improvement of Planning and the Enhancement of the Economic Mechanism's Effect on Production Efficiency and Operational Quality" has set new tasks in the improvement of scientific studies and practical measures intended to improve the quality of products manufactured in our country.

The decree states that one of the primary and most immediate objectives is a special comprehensive program to increase the output of new consumer goods.

The successful resolution of problems in the growth of consumer goods production and the improvement of their quality requires further scientific investigation. For this reason, this seems to be the right time to publish a book about all of the problems connected with the production of goods to satisfy public demands and the improvement of the quality of these goods.

The authors' choice of topics is interesting. They trace the connections between public demand, consumer value and product quality. In this context, the issue of quality represents a social problem, the resolution of which simultaneously signifies the attainment of social objectives connected with the satisfaction of public demand and the thorough development of the individual. Goods of high quality and in large quantities should satisfy public demand. The degree to which demand is satisfied constitutes the criterion of quality and quantity.

Demand is the point of departure in the formation of the product assortment and the determination of the quality level and quantity of manufactured goods. The socialist planned economy presupposes purposeful influence on production for the satisfaction of demand. This thesis is thoroughly analyzed in the book and practical methods of studying demand and taking it into account in the quality control process are suggested.

The study of demand can be difficult because it is dynamic, and not constant. Whatever might have satisfied the public and been in demand yesterday could already be obsolete today. The system for the study of demand should be differentiated enough to take in the entire range of consumers, with breakdowns according to sex, age and region, and with a view to climatic and ethnic features.

In this book, which I recommend to readers, methods of forecasting demand are analyzed, the connection between consumer value and product quality is examined, methods are proposed for the quantitative measurement of quality and approaches to the determination of consumer value are suggested. There is a discussion of unsolved problems in the control of consumer product quality, such as the organizational system for the study of demand and its inclusion in the quality control process, the determination of the optimal quality level with a view to the economic criterion and the definition of the standard as an informational model of consumer value. The authors discuss the role and significance of standardization as an instrument of procedural organization in the efficient construction and operation of comprehensive consumer goods quality control systems. Such topics as metrological information and departmental supervision in the operation of quality control systems are also discussed in the work.

A special chapter deals with problems in determining the impact of better quality. The decision-making process in technical or organizational matters must be accompanied by an analysis of the economic consequences of the decision. The total economic impact must serve as the criterion governing the choice of the particular decision.

Existing methods for the calculation of economic impact are intended primarily for items for technical use in production, where the impact is measured in cost terms. As far as consumer goods are concerned, these methods can only be of limited use because aesthetic, organoleptic and ergonomic indicators are also quite important in consumer goods production. The approach proposed by the authors for the calculation of the social impact of improved product quality is therefore of interest. The same procedure is used to measure the impact of comprehensive systems to control the quality of consumer goods. The authors trace the precise and logical connection between the quantitative measurement of quality and consumer value on the one hand and the determination of the social and economic impact on the other.

The authors analyze the progressive experience of industrial enterprises in the country that have been quite successful in improving the quality of consumer goods. This book is of scientific and practical value. Its purpose is the further improvement of the product quality control mechanism.

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CSO: 1827/100

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